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HISTORIC AGREEMENT ADVANCES CHAMPLAIN HUDSON POWER EXPRESS CLEAN ENERGY TRANSMISSION LINE PROJECT

*Environmental Groups, State Agencies, Local Governments and the City of New York Agree that the
Project Serves the Public Interest and Should Go Forward*

Albany, NY - Transmission Developers Inc. (TDI) today announced that it has reached agreement with numerous state agencies, municipal governments, and environmental groups with respect to all aspects of the proposed Champlain Hudson Power Express (CHPE) transmission line, including the project route. Furthermore, the document states that the signatories believe the Project is in the interest of New Yorkers and should move forward.

The CHPE is a 1,000 megawatt (MW) transmission project that will play a critical role in advancing New York State's energy policies and economic growth across the state. It will deliver clean, reliable hydropower to the New York City metropolitan area using cables installed underwater and underground. With an expected annual benefit of \$650 million to consumers from lower energy costs per year, the Project is also estimated to create 2,400 new jobs in the state of New York across a wide sector of the economy.

The agreement comes in the form of a Joint Proposal (JP) of Settlement that has been filed with the New York State Department of Public Service (DPS) as part of the Article VII process.

The signing parties have been actively involved in a detailed review of the Project since November 2010. TDI President and Chief Executive Officer Donald Jessome expressed his gratitude to the parties who worked collaboratively on the agreement as well as his optimism that the CHPE Article VII Certificate will be granted later this year.

"We are pleased that a diverse group of participants devoted their time and energy to studying this worthy project and voluntarily signed this agreement. Considering the divergent interests of the various signatories to the joint proposal, it is gratifying that we were able to come to this successful conclusion. In the end, TDI believes that the process has resulted in a better project than the one that was originally proposed. While there is still work to be done at the state level, we are now able to move forward with our federal permitting efforts and bring this project one step closer to reality."

As part of the settlement agreement, a \$117 million environmental fund has been proposed by the parties to be established in support of projects in the Hudson Estuary, the Harlem and East Rivers, Lake Champlain and their tributaries over the next thirty-five years. The fund will be established if the NYS Public Service Commission implements the JP when it rules on TDI's application for the Article VII



Certificate of Environmental Compatibility and Public Need for the Project. The purpose of the fund is to protect, restore and improve aquatic habitats and fisheries resources for these water bodies. If approved, procedures for filing proposals to the fund will be established by the fund's executive board. Additional information on the fund can be found at TDI's website [here](#).

The project has received broad, bi-partisan support from Members of Congress and stakeholders alike. In regard to the announcement today, Congressman Paul D. Tonko said, "I am extremely pleased to see this innovative project achieve an important milestone and move one step closer to advancing New York's clean energy agenda and economic development needs. The fact that the Champlain Hudson Power Express earned the support of such a broad group of stakeholders, communities and environmental groups speaks to the tremendous potential of this project."

Congressman Tom Reed said, "The Champlain Hudson Power express will lower energy rates and create thousands of jobs in New York. This privately-financed project is at the forefront of the nation's emerging 'smart grid.' As we look to shape a new comprehensive national energy policy, the public and private sectors must continue to work together and this project is an example of how well that can work."

The governmental parties that have signed the agreement are the City of New York and the City of Yonkers; the New York State Departments of Environmental Conservation, Transportation (with respect to state transportation facilities), Agriculture and Markets, and State; the Office of Parks, Recreation & Historic Preservation; the Adirondack Park Agency; and staff of the Department of Public Service. The three environmental stewardship organizations signing on are Riverkeeper, Scenic Hudson, and New York State Council of Trout Unlimited. In addition, the Vermont Electric Power Company has accepted the settlement's sections regarding the protection of existing infrastructure.

The JP was filed on Friday, February 24th, 2012 with the Administrative Law Judges overseeing the Public Service Commission review of the CHPE Project, identified as case 10-T-0139. Further public and adjudicatory hearings will be scheduled in upcoming weeks.

Article VII is the regulatory framework for granting New York State siting approval for electrical transmission projects. All of the documents TDI has filed with the DPS, including the proposed settlement, are available on the Public Service Commission's website [here](#).

About the Project

The Champlain Hudson Power Express Project, in development for more than three years, is at the forefront of America's emerging "smart grid" revolution. The 333 mile HVDC transmission line will be installed both underground and underwater, originating at the U.S.-Canadian border and running the length of Lake Champlain and through parts of the Hudson River. This new source of clean hydro and wind power will help meet growing demand, diversify the State's energy portfolio, increase the security of the electric grid, and reduce energy costs for consumers and businesses throughout New York State.



CHPE will be privately financed and is a merchant transmission project, which means it will be paid for by the shippers who will utilize the line. With an expected annual benefit of \$650 million to consumers from lower energy costs per year, the Project is estimated to create 2,400 new jobs in the state of New York across a wide sector of the economy.

On June 8, 2011, the New York State Department of State (“DOS”) completed its review of the Project by issuing its concurrence pursuant to the Federal Coastal Zone Management Act. On July 1, 2010, the Federal Energy Regulatory Commission approved a negotiated rate and open season process to recover the costs for this merchant transmission project.

TDI was acquired by the Blackstone Group, LP, headquartered in New York City, shortly before the Champlain Hudson Power Express Project was publicly announced in February 2010. TDI is headquartered in Albany, N.Y.

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